



**The Secretary for Health Services**

COMMONWEALTH OF KENTUCKY

275 EAST MAIN STREET

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PAUL E. PATTON  
GOVERNOR

MARCIA R. MORGAN  
SECRETARY

July 26, 2002

Psychiatric Hospital  
Provider Letter #A-325

Dear Psychiatric Hospital Provider:

Like most other states, Kentucky's Medicaid program is facing a severe budget crisis. With expenditures substantially exceeding available revenues throughout the Medicaid program, belt-tightening across the board has been necessitated. As you are aware, a Medicaid Steering Committee was appointed to develop a cost containment plan which will hopefully be able to meet expenditures without reducing eligibles or services and to ensure funds will be available for the continued operation of the Medicaid program in the upcoming fiscal year.

As part of this plan, effective July 1, 2002, your payments will be maintained at the payment rate that was in effect on June 30, 2002, in accordance with 907 KAR 1:013E.

We appreciate your participation in the Medicaid Program and the services you provide recipients. If you have questions regarding this letter, please contact Mike Robinson, Commissioner of the Department for Medicaid Services, 502-564-4321.

Sincerely,

Marcia R. Morgan

*"...promoting and safeguarding the health and wellness of all Kentuckians."*



EQUAL OPPORTUNITY EMPLOYER M/F/D